

ABSTRACT

Transaction structures for issuing inflation-linked securities are disclosed. According to various embodiments, the transaction structure includes an entity purchasing fixed income securities issued by an issuer. The fixed income securities may have been previously issued by the issuer as part of a single, previous offering by the issuer or they could be newly issued by the issuer to the entity. The method also includes the entity and a swap counterparty entering into an inflation swap agreement. The inflation swap agreement obligates the entity to make periodic fixed payments to the swap counterparty in exchange for periodic floating payments from the swap counterparty dependent upon an inflation index, such as the Consumer Price Index (CPI). The method further comprises issuing, by the entity, inflation-linked securities to investors. The inflation-linked securities, which may be bonds, may have a principal amount and/or an interest rate that is indexed to the inflation index.